

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2004-131

March 22, 2004

MAINE PUBLIC UTILITIES COMMISSION
Electric Transmission & Distribution
Utility Statewide Low-Income Assistance
Plan Funding

**CORRECTED
(APPENDIX A)
ORDER SETTING
FUNDING LEVELS**

WELCH, Chairman; DIAMOND and REISHUS, Commissioners

I. SUMMARY

In this Order, we apportion the Statewide Low-Income Assistance Plan Fund to the Transmission and Distribution (T&D) electric utilities to fund their individual Low-Income Assistance Plans for the October 1, 2004 through September 30, 2005 program year (2004 – 2005 Program Year). The assessment that each T&D utility must pay to fund the statewide program, as well as the administrative costs each will pay to run the program, will remain as originally established by Chapter 314.

II. BACKGROUND

On July 31, 2001, in Docket No. 2001-42, the Commission adopted Chapter 314 which established the standard design, administration and funding mechanism for a Statewide Low-Income Assistance Plan (Plan) to make electric bills more affordable for qualified low-income customers. Chapter 314 requires each of Maine's transmission and distribution utilities to create and maintain a Low-Income Assistance Program (LIAP) for its customers. Chapter 314 creates a central fund to finance the statewide plan and apportions the fund to each utility based on the percentage of LIHEAP eligible persons residing in that utility's service territory. Chapter 314 further provides that the Maine State Housing Authority will administer the Plan and the individual LIAPs.

Section 5(C) of Chapter 314 establishes the amounts that each T&D utility must pay to fund the Plan (assessment amount) and provides for future changes to the assessment if deemed necessary by the Commission. Chapter 314 states:

The Commission will monitor the needs of Maine's low-income electric customers and will evaluate annual LIAP funding and expenditure levels and program design features. For the program year beginning October 1, 2002 and for all subsequent program years, the Commission will by March 1 of each year adjust the overall assessment, as well as each utility's assessment, as necessary to ensure that the assistance provided by the LIAPs is consistent with the provisions of 35-A M.R.S.A., §3214.

Section 5(D) of Chapter 314 apportions the Plan's funds to T&D utilities and provides for future changes to the apportionment amounts, if necessary. It states:

Each transmission and distribution utility shall be apportioned a specific funding amount for its LIAP pursuant to this section. The apportionment amount shall be calculated by multiplying the percentage of the LIHEAP eligible people in the State residing in each utility's service territory by the total LIAP funding amount for benefits (established in section 5(B)(1)). Each utility's apportionment is stated in Appendix A to this Chapter. A utility may petition the Commission by March 1 for the upcoming program year to modify the apportionment rates used to establish the apportionments contained in Appendix A due to demographic changes in the LIHEAP population. The Commission itself may also open a proceeding to change the apportionment rates if it has evidence that demographics used to establish the apportionments have changed.

III. DISCUSSION AND DECISION

After reviewing the annual filings made by the T&D utilities reporting the results of last year's plan, we find that Central Maine Power Company, (CMP); Maine Public Service Company, (MPS); Fox Island Electric Cooperative, (FIE); Madison Department of Electric Works, (MEW); Swans Island Electric Cooperative, (SIE); and Van Buren Light and Power, (VBLP) underspent for their LIAP programs by \$578,000, \$37,262, \$3,641, \$2,862, \$1,772 and \$52 respectively.¹ A cumulative amount of \$623,589 has been added to this year's \$5,790,221 assessment to create an available fund for the statewide program for the 2004 program year of \$6,413,810.

As described above, each utility must contribute a specific amount to the statewide plan each year. Utilities whose assessment amount exceeds their apportionment amount must forward the difference to the MSHA and must spend the remaining apportionment on its own LIAP. If it under spends on its LIAP, it must forward the under spent amount to the MSHA to fully meet its assessment obligation pursuant to Chapter 314 §5(B).

CMP, FIE and SIE retained all of the funds they were to spend for their LIAPs and therefore must remit to MSHA unspent funds.

¹ CMP revised its LIAP for the 2003 – 2004 Program Year in an effort to fully spend its funds. However, the revisions were not made in time to affect the 2002 – 2003 Program Year and CMP continued to underspend. The percentage underspent by MPS, FIE, MEW, SIE and VBLP were not significant and therefore, we have not recommended any program changes. However, if it appears to these utilities that the underspending will continue under the current programs, these programs should be reevaluated and revised as necessary to ensure all the funds are expended.

Chapter 314 sets the apportionment rates using statistics provided by the MSHA that indicate the number of clients eligible for the Home Energy Assistance Program (HEAP) by utility service territory. The percentages and the apportionment for each T&D utility are shown in Appendix A, Table 1 of this Order.

We have also reviewed the amount of the assessment and determined that no change is currently warranted. Therefore, the assessment for both the program funds and the funding for the plans' administrative costs will remain as established in Chapter 314. We have included those assessments on Tables 2 and 4 of Appendix A. Table 3 shows those T&D utilities that must make payments to MSHA. The amount is the difference for the current year assessment and current year apportionment.

Accordingly, we:

O R D E R

1. That the Statewide Low-Income Assistance Plan Funds be apportioned to the T&D utilities pursuant to Table 1, Appendix A;
2. That the annual assessment to fund the Statewide Low-Income Assistance Plan that each T&D utility must pay will remain as originally established by Chapter 314 and shown on Table 2, Appendix A. T&D utilities owing to the fund as shown in Table 3, Appendix A, will make payments to Maine State Housing Authority (MSHA) in accordance with the requirements of Chapter 314;
3. That the annual assessment that each T&D utility must pay to administer the plan will remain as originally established by Chapter 314 and shown on Table 4, Appendix A. T&D utilities will make payments to MSHA in accordance with the requirements of Chapter 314; and
4. That Central Maine Power, Fox Island Electric Cooperative and Swans Island Electric Cooperative remit \$578,000, \$3,641 and \$1,772, respectively, to the MSHA for deposit into the "Benefits" account of the LIAP Fund.

Dated at Augusta, Maine, this 22nd day of March, 2004.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR:

Welch
Diamond
Reishus

Appendix A

Table 1: Apportionment of Statewide Low-Income Assistance Plan Funds for Program Year 2004 – 2005

Company	% of LIHEAP Clients	Prior-Year Funds Rolled into 2004 – 2005 Program Year	2004 – 2005 Program Year Apportionment	Total Apportionment
Central Maine Power	65.78	\$410,197	\$3,808,807	\$4,219,004
Bangor Hydro-Electric	18.98	118,357	1,098,984	1,217,341
Maine Public Service	9.55	59,553	552,966	612,519
Eastern Maine Electric	2.96	18,458	171,391	189,849
Fox Island Electric	0.17	1,060	9,843	10,903
Houlton Water Co.	0.90	5,612	52,112	57,724
Kennebunk Light & Power	0.27	1,684	15,634	17,317
Madison Dept of Electric Works	0.76	4,739	44,006	48,745
Swans Island Electric	0.04	250	2,316	2,566
Van Buren Light & Power Dist.	0.59	3,679	34,162	37,842
Totals	100.00	\$623,589	\$5,790,221	\$6,413,810

Table 2: Assessment for 2004 – 2005 Program Year Costs

Company	Assessment
Central Maine Power	\$4,471,263
Bangor Hydro-Electric	848,352
Maine Public Service	263,608
Eastern Maine Electric	73,962
Fox Island Electric	13,743
Houlton Water Co.	35,058
Kennebunk Light & Power Co.	43,683
Madison Dept of Electric Works	24,703
Swans Island Electric	4,825
Van Buren Light & Power District	11,024
Totals	\$5,790,221

Table 3: Payments to MSHA for 2004 – 2005 Program Year Funding

Company	Payment Due to MSHA
Central Maine Power	\$662,456
Fox Island Electric	3,900
Kennebunk Light & Power Co.	28,049
Swans Island Electric	2,509

Table 4: Assessment of Administrative Costs for 2004 – 2005 Program Year

Company	Internal	External	Total Administrative Costs
Central Maine Power	\$ 79,812	\$ 217,178	\$ 296,990
Bangor Hydro-Electric	15,142	46,209	61,351
Maine Public Service	4,706	16,589	21,295
Eastern Maine Electric	1,320	4,545	5,865
Fox Island Electric	245	656	901
Houlton Water Co.	626	1,847	2,473
Kennebunk Light & Power Co.	780	1,832	2,612
Madison Dept of Electric Works	441	1,318	1,759
Swans Island Electric	85	223	308
Van Buren Light & Power District	197	767	964
Totals	\$ 103,354	\$ 291,164	\$ 394,518

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 21 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.